

# Expert Guide

## Upping Your Cloud Game

### Inside

Managed IT service providers and integrators face a continual challenge of differentiating from competitors while carving out good margins on offerings. Cloud services are no different, so channel pros must seek ways to provide added value for customers that will also grow business.

This Expert Guide dives into some current opportunities, including adding services on top of Microsoft 365 rather than just selling licenses, developing deep expertise in Azure features to solve customer problems, and building high-margin cloud bundles.

#### **MICROSOFT 365—THE NEXT-LEVEL OPPORTUNITY**

You don't need to become an SME in the entire Microsoft 365 platform. Start small, pick easy wins, and move up from there. BY SCHYLER JONES

#### **NOW'S THE TIME TO ADVANCE TO AZURE 201**

Taking a more expansive approach to Microsoft's popular and feature-rich cloud platform can drive both SMB digital transformation and new revenue streams for channel pros. BY SAMUEL GREENGARD

#### **CLOUD BUNDLES MEAN BUSINESS**

Best practices for building high-margin cloud bundles that provide value for customers. BY SAMUEL GREENGARD

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# Microsoft 365— The Next-Level Opportunity

You don't need to become an SME in the entire Microsoft 365 platform. Start small, pick easy wins, and move up from there. **By Schyler Jones**

**AS SERVICE PROVIDERS**, we face the continual challenge of differentiating from our competitors, especially as the products and services we provide reach a point of commoditization. Meeting this challenge requires us to observe, experience, acquire knowledge, and adapt so that we may survive, and hopefully thrive. Now the next pivot for MSPs is adding value to Microsoft 365 rather than just selling licenses.

MiradorIT has migrated nearly all our existing customers to Microsoft 365, and new prospects are often already there in some form or fashion, so it is becoming another commodity. More and more service providers are signed up as CSPs and include Microsoft 365 licenses in their packages, and tech-savvy employees at some prospects have already migrated themselves and are performing basic administration of their own 365 tenant.

To add value for our customers and opportunity for our business model, we need to embrace Microsoft's vision for the modern workplace and the all-in-one package that enables that vision. The Microsoft 365 platform has the potential power to enable businesses and employees to work and collaborate from any location, on any device, while maintaining the safety and security of users, data, and devices. In short, Microsoft 365 is a business operating system.

proactively learn how to use it, implement it for our own purposes, and be able to explain and demonstrate the possibilities with clients and prospects. We need to generate excitement among customers and prospects that will lead to opportunities.

The next step is developing the expertise. We all know what a behemoth Microsoft 365 is; mastering and conquering even parts of it is intimidating. However, as with any complicated project, break the platform down into bite-size chunks, and choose specific focus areas in which to develop expertise. MiradorIT, for example, is focusing on:

- Management and Security
- Functionality and Productivity
- Workflow Automation

Keep in mind that you don't need to become an SME in the *entire* Microsoft 365 platform. Start small, pick easy wins, and move up from there. And don't hesitate to partner with like-minded providers that can help fill gaps in your own abilities. MiradorIT engaged with fellow service provider Noverus Innovations, based in Roseville, Calif., to gain expertise in the types of Microsoft 365-based solutions customers can benefit from.

## Break the platform down into bite-size chunks, and choose specific focus areas in which to develop expertise.

### Adopt Principles of the Modern Workplace

So how do we execute on the opportunity that is Microsoft 365? Start by adopting the principles of the modern workplace into your company culture and choose areas to develop subject matter expertise.

For MiradorIT, the first step was embracing the principles in our mission statement. At regular staff meetings I advise, and continuously reinforce, the idea that we need to fully immerse ourselves in Microsoft 365—we need to eat, breathe, and sleep it. We need to

### Management and Security

Management and security of users, data, and devices have always been important functions, and they've been our bread and butter for the better part of the last three decades. But now the tools Microsoft has placed at our fingertips vastly improve our abilities to control how an organization's devices are used, including desktop PCs, laptops, mobile phones, and tablets—regardless of who owns them. This is far different from our days managing Small Business Server. We are no

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longer dependent on on-prem Active Directory with Group Policies to configure and manage Windows-only devices, and third-party systems to manage mobile and non-Windows devices. Even when employees are using personal devices, we can still protect an organization's data by isolating corporate data from personal data.

For this focus area, look to develop expertise in Microsoft Endpoint Manager, including Microsoft Intune, Configuration Manager, Desktop Analytics, and Windows Autopilot.

Give a serious look at Microsoft 365 Defender too—this is not your grandmother's anti-virus! Microsoft 365 Defender has evolved into a unified pre- and post-breach enterprise defense suite that coordinates detection, prevention, investigation, and response across endpoints, identities, email, and applications to provide integrated protection against sophisticated attacks. Four components currently make up the suite:

- Microsoft Defender for Endpoint
- Microsoft Defender for Office 365
- Microsoft Defender for Identity
- Microsoft Cloud App Security

Defender for Endpoint and Defender for Office 365 are similar to tools we all currently use to deliver protection services to clients and should be easy to learn and deploy.

More advanced capabilities around compliance management, including tools to evaluate, mitigate, and monitor risks such as information protection, eDiscovery, auditing, and alert policies, are available (with appropriate licensing) in Compliance Manager.

## Functionality and Productivity

We focus conversations about Microsoft 365 on the value customers get for their subscription fees. Historically, that was email, cloud-based file storage, and Microsoft Office. However, we all know the platform is so much more. Understanding the full Microsoft 365 ecosystem is such a huge challenge that at the end of 365 migration projects, I often feel as though we're just pointing end users to their big box of "stuff" and saying, "There's all your 365 toys!" It's like giving 30 birthday presents to a 2-year-old child.

However, I don't know that many users are discovering, learning, and using their box of toys, and for that reason I see a lot of opportunity for service providers to add significant value by helping them discover and learn about the apps that can be used to facilitate their daily routines.

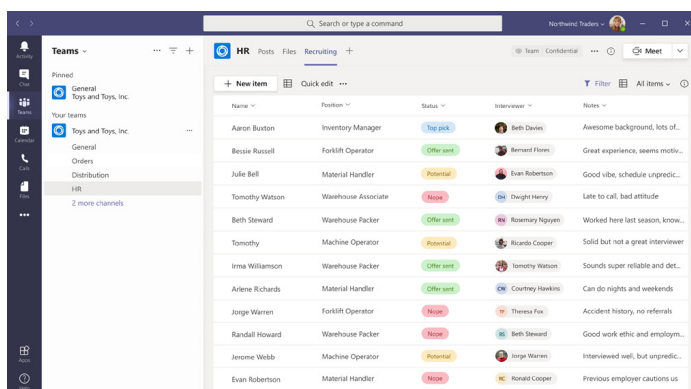


Figure 1

This might include guiding customers through setting up and establishing practices for using Microsoft Teams and SharePoint effectively or looking at activities and workflows to determine whether there are use cases for apps such as Forms, Lists (Figure 1), Planner, or Bookings (to name a few). And don't overlook Microsoft 365 Business Voice. I think we as service providers give away a lot of one-time and recurring revenue to voice vendors that have no loyalty to us. We have avoided adding a specific VoIP solution to our wheelhouse for years, but I assure you that is changing with Business Voice.

## Workflow Automation

To me, the treasure chest among all the capabilities of Microsoft 365 is the Microsoft Power Platform, consisting of:

- Power Apps
- Power Automate (Figure 2)
- Power Virtual Agents
- Power BI

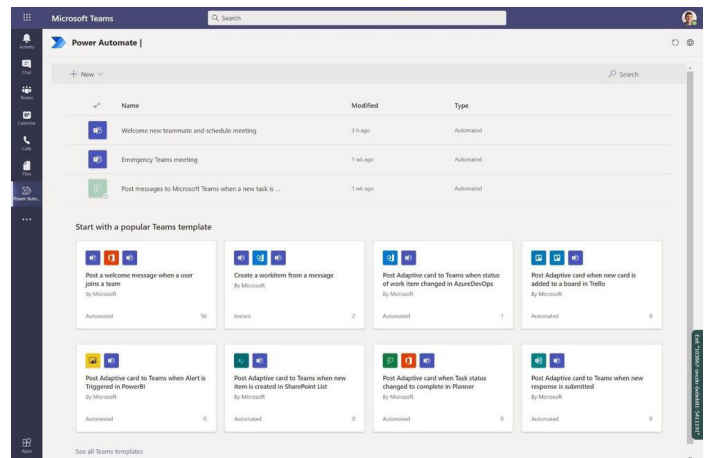


Figure 2

These tools can be used to automate routine tasks and build end-to-end business solutions that connect to data from SharePoint, Excel, SQL, third-party websites, and more. The Power Platform is a low-code environment, enabling even nontechnical users to build custom apps in less than a day. This is how we take our IT services from an overhead expense to improving business outcomes for our customers.

## Learn More

Want to start learning more about Microsoft 365? Head over to Microsoft's documentation site at <https://docs.microsoft.com/en-us/documentation/>, and of course check out the vast array of great content available on YouTube. Also, talk to your peers—find out what they're doing and how. But most of all, talk to your customers, get them interested, and capitalize on the opportunities. I believe embracing Microsoft 365 is the key to the future for many service providers.



**SCHYLER JONES** is founder and principal of *MiradorIT*, a managed service provider in Concord, N.H. He is an experienced IT consultant with an extensive technology background spanning nearly 30 years.

# NOW'S THE TIME TO ADVANCE TO

# AZURE 201

TAKING A  
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BY SAMUEL GREENGARD



**O**NE OF THE REMARKABLE THINGS about Microsoft Azure is the breadth of features it offers, from basic data storage and analytics to content delivery networks and Internet of Things integration. Yet many channel pros continue to rely on the popular cloud platform for little more than the basics: setting up and managing accounts in Azure Active Directory, creating virtual machines, and using SQL Server.

Moving beyond Azure 101 and developing deep expertise in features that can benefit customers and increase revenue is an opportunity to take your business to a higher level. “Those that find a niche that delivers value and makes them indispensable within their ecosystem are at an advantage,” says Eric Weast, owner of ECW Network and IT Solutions, a managed IT services firm in Deerfield Beach, Fla.

## The Challenges

There are a number of reasons why channel pros underutilize Azure. For many, the sheer number of features and services—while impressive—quickly becomes overwhelming. According to [research](#) conducted by The Standish Group, 45% of features in enterprise applications are never used, and another 19% are used rarely. Microsoft Azure is certainly no exception. Weast estimates that the typical channel pro is knowledgeable about only 5% to 15% of the entire Azure platform. In addition, gaining expertise, including hiring and training staff, can prove challenging.

But it's also easy to fall into a comfort zone and continue to offer the same basic services year after year. “Too often, the first port of call for channel

pros is the same tools they have always used,” says Dan Scarfe, chief solutions officer of the Cognizant Microsoft Business Group. So, as Microsoft continues to pile on capabilities, the practical and technical adoption deficit grows for service providers and integrators.

## Getting Started

Once you decide to go deep with Azure, start by selecting a few platform features that can become specialties, Scarfe says. Key areas like machine learning, governance, cloud management, and the IoT are good candidates, he adds, but there are many underutilized and commonly overlooked features in the platform as well. One of them is the combination of [Azure Arc](#) and [Azure Lighthouse](#), which together “provide the fabled ‘single pane of glass’ across on-premises resources, Azure, and other clouds. It ensures they stay operational, secure, and governed.”

Gaining greater expertise in less flashy but highly practical areas can become a selling point for channel pros too, Weast says. This includes identity management, security services, conditional access policies, and knowledge about various fabric services for database delivery in the cloud. Likewise, focusing on seemingly mundane areas like [Azure Migrate](#) and [Azure Site Recovery](#), combined with expertise in [App Dev](#) and [Kubernetes](#), are ways that channel pros can differentiate, according to Eric Boyd, founder and CEO of consulting and training firm responsiveX. “The ability to manage workloads across clouds and devices is extremely important for organizations,” he explains.

Capabilities that help expand and connect the digital enterprise are also on companies' radar, Scarfe notes. These include [Azure Purview](#), which focuses on security and unified data governance; [Microsoft Mesh](#), which supports sophisticated collaboration and social meetups, including mixed reality and holoportation; and [Percept](#), which allows organizations to embed intelligence on the edge using the cloud and plug-and-play features. The combination of [GitHub](#) and [Visual Studio](#) represents yet another opportunity, as the use of complex open source stacks grows. Finally, he points to Azure [API Management](#) (APIM), which delivers advanced tools for connecting applications and services.

Scarfe recommends looking for real-world business opportunities and working backward to support Azure digital offerings. For example, the COVID-19 pandemic has created enormous demand for apps and services revolving around curbside pickup and doorstep delivery. "The ability to build order ingestion and delivery services for restaurants and others is a very lucrative space. But you have to be conversant in microservices and how to integrate IoT edge devices so that you're connecting the kitchen with the customer," he explains.

### Scoring with Azure

There are some effective ways for channel pros to ratchet up Azure skills and knowledge—and translate this expertise into business acumen. Microsoft and other companies in the Azure ecosystem offer plenty of free or low-cost training resources. These include webinars, ebooks, white papers, and events provided or sponsored by Microsoft. Scarfe recommends [Channel 9](#), which offers an array of in-depth videos and courses on topics as varied as building out microservices and using data protection methods like tokenization within Azure. Other tools include the Official [Microsoft Blog](#) and Cognizant's [Octane Solution Center](#), which focuses on digital transformation through Azure.

Prioritizing regular and ongoing learning to ensure that staff understand what Azure offers, and can sell and support customers, is key to success, Weast says. "It's best to implement a regular schedule to ensure that you're maintaining your skillsets," he advises.

If you do plant a stake in the ground with Azure, stay focused on that platform, experts advise, rather than attempting to gain mastery

12 Hot Azure Services		
<b>AZURE BLOCKCHAIN</b> Allows organizations to deploy blockchain networks at scale.	<b>AZURE DIGITAL TWINS</b> Helps businesses build virtual environments that simulate real-world systems and processes.	<b>AZURE IoT SUITE</b> Delivers a framework for connecting edge IoT devices.
<b>AZURE MACHINE LEARNING</b> Offers a rich environment for building machine learning frameworks.	<b>AZURE KUBERNETES SERVICES</b> Adapts the open source orchestration tool for Azure, so that organizations can develop containerized apps.	<b>AZURE ARC</b> Helps organizations build out Azure infrastructure across other IT environments.
<b>AZURE PURVIEW</b> Helps organizations map and govern their data landscapes.	<b>AZURE LIGHTHOUSE</b> Delivers secure managed services and access controls across partners and customers.	<b>AZURE MIGRATE</b> Offers tools and services to discover, assess, and migrate workloads to the cloud.
<b>AZURE API MANAGEMENT (APIM)</b> Offers a hybrid, multi-cloud management platform for APIs across all environments.	<b>AZURE SITE RECOVERY</b> Protects against outages and downtime using Azure's built-in disaster recovery as a service.	<b>AZURE VISUAL STUDIO</b> Provides an integrated development environment designed for creating powerful, scalable applications for Azure.

over all cloud platforms, including AWS and Google Cloud. Keeping up with daily announcements for Azure alone can make your head spin. "It's really impossible to become an expert in more than one cloud platform," says Scarfe.

In the end, regardless of the exact approach you take with Azure, Boyd recommends incorporating a broad view of the platform into your business and building spe-

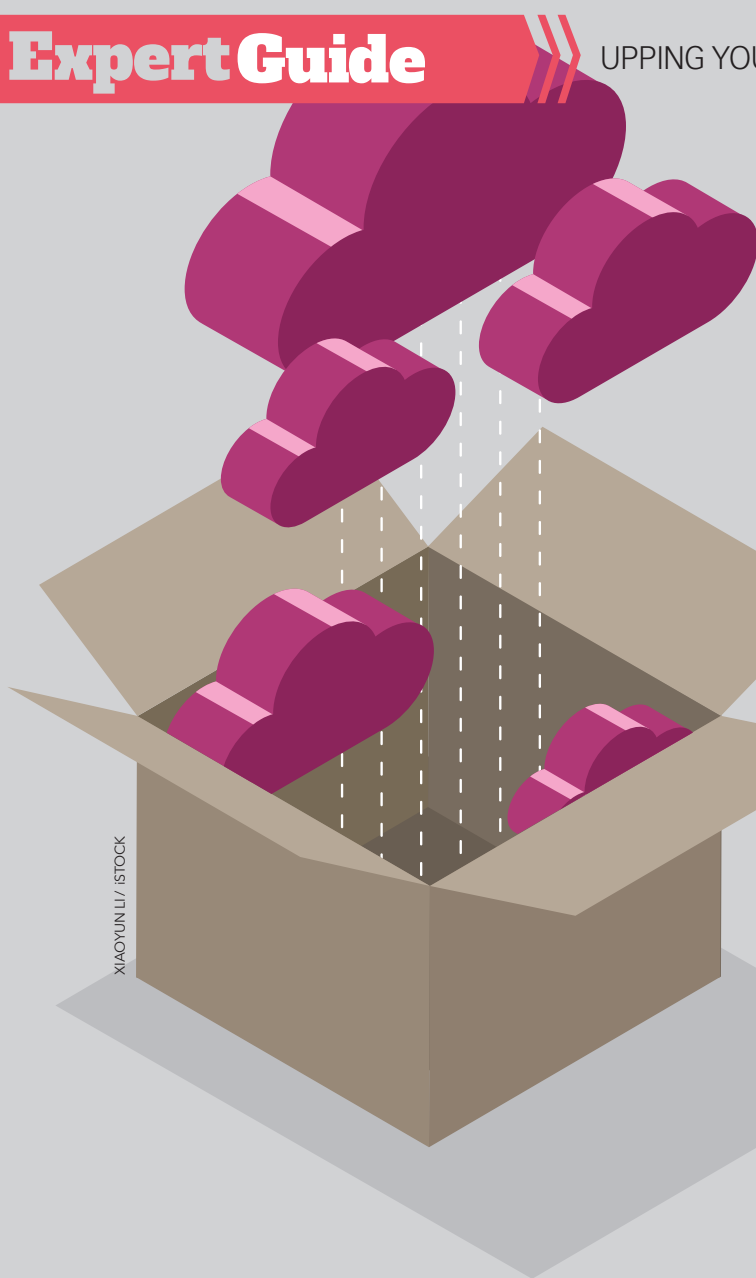
cific expertise that clients and customers can trust. "It is an incredibly rich platform with an incredible array of services and features. Unfortunately, the breadth and depth of the platform is underappreciated by far too many in the IT industry."

**SAMUEL GREENGARD** is a business and technology writer in West Linn, Ore.

## READER ROI

- **MICROSOFT AZURE** is a feature-rich cloud platform, but many channel pros are only leveraging a small percentage of its capabilities.
- **TO ADVANCE YOUR AZURE EXPERTISE** select a few areas that can become specialties, such as machine learning, governance, cloud management, and the IoT.
- **PRIORITIZE REGULAR AND ONGOING LEARNING** by taking advantage of free or low-cost training to ensure that staff can sell and support customers.





# CLOUD BUNDLES MEAN BUSINESS

Best practices for building high-margin cloud bundles that provide value for customers.

By Samuel Greengard

**C**ARVING OUT sufficient margins on cloud products is challenging. One way to break free from the problem—and differentiate from the commoditization crowd—is to focus on bundling. “Blended margins” on bundles containing multiple cloud products, services, and even hardware provide healthier returns for channel pros and simplify the buying process for customers.

“Customers are increasingly seeking bundles,” says Deepak Thadani, CEO of SCO Cloud. “They want a simple, all-in-cloud solution that’s easy to understand and use.” In addition, he says, businesses are looking for pricing that is not going to be a surprise every month, which frees up working capital.

Karl Palachuk, consultant, former MSP,

and author of *Managed Services In a Month*, says that selling a bundle revolves around a few critical factors:

- Offerings must be client focused.
- A client must understand 100% of the package.
- A bundle must solve their problems and address their pain points.

Although there’s no one-size-fits-all approach to cloud bundling, experts say that the right strategy can go a long way toward transforming cloud products and services into a lucrative business.



KARL  
PALACHUK

## Simplifying the Complex

These days, the complexities of business and IT aren’t lost on anyone. A typical SMB requires dozens of cloud applications—along with the ability to connect myriad systems and software.

Channel pros are in a position to combine and orchestrate these tools and technologies to not only simplify IT for clients but help them manage costs, according to Eric Long, president of cloud solutions provider TeraCloud, which has offices in Texas, Florida, and Oklahoma. “It’s about assembling solutions in a modular way to add flexibility, save money, create a more predictable OPEX-based cost model, and simplify things,” he explains.

A best-practice approach, according to Thadani, is to package bundles so that they deliver the biggest positive impact to differ-

ent market segments. It's wise to "include everything that you think the majority of your customers need and over-deliver, so they are pleasantly surprised by your performance or support, or the included features," he says. You can differentiate your offerings with consulting expertise, service, and support.

When bundling is done effectively, the sum is often greater than the individual parts. For example, SCO Cloud has combined numerous critical components to produce a complete cloud-based solution for clients backed by high-quality support. SCO Cloud builds the virtual machine (VM) and handles backups, snapshots, replications, bandwidth, and security issues such as authentication, VPNs, and malware protection. "A bundle allows you to sell the whole solution without piecemealing it all together," Thadani explains.

Creating a bundle requires an understanding of products, specifications, and functionality across a wide spectrum of vendors, and which combinations of products produce the best results at an optimal price. You should also familiarize yourself with a cloud vendor's roadmap and what service-level agreements and support frameworks are in place. Staying on top of market and product changes is key as well, Long says.

In some cases, working with a cloud distributor that packages and sells bundled products can simplify the process. Of course, it's important to check out a distributor thoroughly, and understand how fast it can provision services, how it handles licensing and billing, and what service and support it offers.

Whether you work with a distributor or with cloud providers directly, it's vital for clients to feel a sense of stability with a bundle. Frequent changes in offerings can undermine trust—and ratchet up the complexity level for you and your clients. A chaotic approach can also undermine profits, Long says. As a result, when he assembles tiers or packages, he aims to establish a vendor relationship for at least one year, and preferably longer. However, he also leaves some wiggle room. "We let clients know that we reserve the right to make changes if we find a better mousetrap," he notes.

### Selling Value

It's unwise to assume that a client already understands the value of a bundle—or even

**"It's up to the channel pro to combine products effectively, ensure there's value, and that clients benefit. When this happens, everyone wins."**



**ERIC LONG**  
President, TeraCloud

the products and solutions it contains. When buyers are confused, they're likely to balk, so you must take the time to explain everything clearly and thoroughly—without reverting to hard-sell techniques. "Value is always determined by the client," Palachuk notes.

Long recommends steering clear of hype and a marketing-centric approach. Success revolves around listening closely to what clients say, recognizing their pain points, and conducting a thorough analysis of their business. This makes it possible to address current needs and also build trust that leads to an ongoing relationship—and revenue stream.

Explain to customers what the products in your bundle do, how they work together, why they're necessary, and the overall value proposition. For instance, in the cybersecurity arena, you may need to discuss what defense-in-depth is and why it's necessary to layer cloud and software-as-a-service solutions to create a stronger defense against cyberattacks. In the finance space, you could point out how bundling various commerce and finance functions—along with backups and strong

security—drives cost and performance gains.

Finally, Long says it's critical to check in with clients regularly to ensure that their needs are being met. "You don't want to wind up with a client paying several thousand dollars a month for a solution they don't understand."

### Getting the Pricing Right

Of course, getting the pricing right on a cloud bundle is critical, which means understanding internal costs and profit margins. Thadani says you must also be aware of the competitive landscape and what others in the industry are offering at various price points. But rather than lowering pricing to beat competitors, experts say to stress the overall value to clients.

It's also possible to offer tiers that deliver strong margins generally while providing price or feature incentives that entice clients to purchase higher-margin bundles. Let clients know that tiers make it easier for them to scale up or down as needed, potentially saving them money, since with cloud it's often possible to make changes on the fly without any disruption or downtime. For instance, a client may start at a bronze tier and evolve to a silver, gold, or platinum package.

When you get cloud bundling right, the results can be impressive. Traditionally low-margin point products can become much higher-margin solutions. One-off sales to customers can evolve into long-standing, value-based relationships. Concludes Long: "It's up to the channel pro to combine products effectively, ensure there's value, and that clients benefit. When this happens, everyone wins."

**SAMUEL GREENGARD**, a business and technology writer in West Linn, Ore., is the author of *The Internet of Things* (MIT Press, 2015) and *Virtual Reality* (MIT Press, 2019).

## READER ROI

- **CLOUD BUNDLES** that include services, software, and hardware provide healthier returns than just selling a cloud service and simplify the buying process for customers.
- **ASSEMBLE YOUR BUNDLE** to deliver the biggest positive impact to different market segments and choose products that produce the best results at an optimal price.
- **TO GET YOUR PRICING RIGHT**, examine internal costs, margins on individual products, and the competitive landscape.